

“Governor Barbour is focused on running for re-election in Mississippi and therefore our priority is to respond to local media. We will not be responding to your laundry list of questions, which are full of inaccuracies and biased innuendo. For example, as I am sure you know from multiple media reports, the Mississippi Ethics Commission has ruled that the Governor's blind trust complies with Mississippi law.”

To: Governor
From: BB
Date: September 6, 2007
Re: Questions posed by the New Republic

Here are the questions posed by the New Republic, in the form of an e-mail to Pete from the reporter, Noam Scheiber:

Pete,
Here's the list of questions we wanted to run by you guys. The piece goes to bed next Tuesday evening. I'm happy to chat any time before then. Feel free to call me at [REDACTED]

Thanks for your help.
Noam Scheiber

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The New Republic has obtained a copy of Gov. Barbour's "Amended Trust Agreement," dated February 27, 2004. The trusts list several assets, among them: unspecified amounts of cash, stock, and bonds held in five A.G. Edwards accounts, including nearly 50,000 shares of Interpublic Group, BG&R's former corporate parent; a one-third stake in LEHI Partners, LLC; a ten-percent stake in Policy Impact Strategic Communications; 50 percent ownership of a townhouse in Arlington, Virginia; various interests in National Environmental Strategies; and a stake in something called the Barbour, Griffith & Rogers, Inc. Profit sharing Plan. Does Gov. Barbour know if he still owns any of the aforementioned assets? If he does know, can you tell us which, if any, he still owns?

A November 2003 Clarion Ledger article quoted Gov. Barbour making the following statement: "My partners and I are trying to work out how we make that separation and what is the appropriate way for them to buy me out. I want it to be a way that's fair to them." At the time, BG&R wasn't a partnership but a subsidiary of a large corporation-meaning there wouldn't have been any partnership stake to buy out. Can you explain what the governor was referring to? Is it possible that he was referring to the Barbour, Griffith & Rogers, Inc. Profit sharing Plan, which he appeared to have a stake in even after the firm was sold in 1999?

The qualified blind trusts used by federal officials require a complete transfer of assets from their original owner (i.e., the politician or government official) to the trust. But the document we have explicitly states that several of Barbour's assets, the assets in his AG Edwards accounts and his share of the Barbour, Griffith & Rogers, Inc. Profit sharing Plan, would *not* be transferred to S. Griffin Norquist, his trustee. The document says Norquist has only assumed control over them. That suggests that Gov. Barbour still has to pay personal taxes on these assets, which means he would know whether or not he still owned them, and what their value was. Is that an accurate interpretation of the trust agreement?

Gov. Barbour told Gannett in 2004 that he wouldn't be "involved" in Lanny Griffith's and Ed Rogers' negotiations with Interpublic to buy back BG&R. Can you tell us, regardless of whether or not he was involved in the buy-back negotiations, whether he personally repurchased a stake in BG&R?

Gov. Barbour's brother Jeppie told me that their father had a photographic memory, which the governor may have inherited. Can you confirm that?

Jeppie Barbour also told me that a friend of their late father, E. A. Smith (known as "Smitty") would look in on them from time to time as children and generally help their mother as she needed it. Can you

confirm that?

Jeppie said that the family twice moved briefly to Sarasota, Florida when the Barbour men were children, to help them recover from asthma (among other reasons). Can you confirm that?

Jeppie recalled that, as a young man, Gov. Barbour belonged to a group called the "Red Tops" that would attend dances up and down the Mississippi delta. The dances, he said, attracted large crowds and fights sometimes broke out. Can you confirm that?

A recent report in Bloomberg noted that the governor's nephew, Henry Barbour, received \$65,000 in fees from a bond advisory firm called Government Consultants Inc. between 2005 and 2006. During that time, Henry Barbour served as executive director of the Governor's Commission on Recovery, Rebuilding, and Renewal, which made recommendations on the sale of recovery-related bonds. Government Consultants received \$2.4 million from the state in fees in 2006, four hundred thousand of which came from hurricane-related bonds. Can you comment on whether the governor knew that Government Consultants was a client of Henry Barbour's when he was appointed to the Governor's commission?

Gov. Barbour received several thousand shares in WorldCom stock in 1999, according to SEC documents. In March of 2002, his cousin, federal Judge William H. Barbour, dismissed a large shareholder lawsuit against the company. Did Governor Barbour ever discuss WorldCom with Judge Barbour between 1999 and the dismissal of the case in 2002?

In 2004, a trial lawyer named Billy Quin, whom the attorney general had hired to collect taxes owed the state of Mississippi by WorldCom, attended a

meeting with the head of the state tax commission, Joe Blount. Quin asked for the commission's cooperation in the case. Blount, according to Quin and another person at the meeting, said he needed to consult with the governor before throwing the commission behind the effort. Did that consultation ever happen? And, if so, what did the governor tell Blount?

Several state legislators have told us that the governor's office frequently gives them instructions on how to vote on the floor of the House and Senate, even on procedural matters. Sometimes, they say, voting instructions and various talking points are e-mailed to their laptops, something they say didn't happen prior to Gov. Barbour's tenure in the state house. Can you comment on this?

The expense reports that Austin Barbour, one of the governor's nephews and a lobbyist at Capitol Resources, submits to the Secretary of State show several meals with members of the governor's staff. Is the governor aware of these meetings and, if so, can you comment on the point of these meetings?

Multiple legislators have described to us an effort, involving the governor's office, to try to unseat Billy McCoy as speaker of the Mississippi House. Some of these efforts involve trying to round up conservative Democrats to vote for an alternative candidate. Can you comment on whether the governor has any role in this effort?

On December 29, 2006, Harrah's and MGM each made \$100,000 contributions to the Republican Governor's Association. The same day, the RGA cut the governor's re-election campaign a \$1 million check. Are you aware of any connection between the two contributions?

According to one former associate of lobbyist Jack Abramoff who is familiar with his work with the Mississippi band of Choctaws, Capitol Resources was hired to make sure the governor didn't definitively rule out an off-reservation casino proposed by the Choctaws in Jackson County. Did the governor ever discuss this project with any lobbyist from Capitol Resources?

We've received sworn affidavits testifying that a group identifying itself as "Grassroots out of Virginia" called a number of African-American voters on the night of the Democratic primary in August encouraging them to vote for the eventual nominee, Mike Sumrall. Campaign finance records indicate that the governor's re-election campaign paid \$50,000 to a Virginia firm called Grassroots Targeting. Can you comment on whether there's any connection between these two developments?

Why did the governor veto the tax swap bills - raising the tobacco tax/lowering the sales tax -- that landed on his desk in 2005 and 2006, despite the fact that it had the support of something like 70-80 percent of Mississippi voters?

Last year, State Senator Tommy Robertson helped defeat another tax swap bill in the Senate Finance committee. Earlier in the year, he'd received a \$1.2 million contract to help close Katrina homeowner grants from the Mississippi Development Agency. Did the governor play any role in encouraging the MDA to give Robertson the contract?

The governor reportedly initiated a lawsuit to disband the Partnership for a Healthy Mississippi because he felt the program didn't receive enough legislative oversight. Why did the governor veto a retooled version of the program that would have mandated legislative scrutiny?

During the legislature's efforts to overturn the veto, the constituents of supporters of the retooled program frequently received phone calls asking them to oppose their representative's position on the matter. Did the governor's office have anything to do with these calls?

At 1 o'clock on June 19, 2007, a New Republic staffer watched Gov. Barbour walk into the office building of Barbour, Griffith, & Rogers. We watched him walk out at 2:35. We assume he spent that time at the BG&R office. Is that assumption correct? And, if so, why was he there?

Between January 1, 2007 and June 19, 2007, the governor made 15 trips to the Washington area. Can you comment on the purpose of these trips?